

**SUMMARY OF THE MEETING OF THE  
ARIZONA STATE RETIREMENT SYSTEM  
INVESTMENT COMMITTEE**

**HELD ON**

**Friday, November 7, 2008  
1:00 p.m.**

The Investment Committee (IC) of the Arizona State Retirement System (ASRS) met at 3300 N. Central Avenue, 14th Floor Conference Room, Phoenix, Arizona 85012. Mr. Lawrence Trachtenberg, Chair of the IC, called the meeting to order at 1:07 p.m., Arizona Time.

The meeting was teleconferenced to the ASRS Tucson office, 7660 East Broadway Boulevard, Suite 108, Tucson, Arizona 85710.

**1. Call to Order; Roll Call; Opening Remarks**

Present:     Mr. Lawrence Trachtenberg, Chair  
                 Mr. Christopher Harris, Vice-chair  
                 Mr. Thomas Connelly  
                 Mr. James McLaughlin

A quorum was present for the purpose of conducting business.

**2. Approval of the Minutes of the October 16, 2008 and October 24, 2008 IC Meetings**

**Motion:**     Mr. Christopher Harris moved the minutes of the October 16, 2008 and October 24, 2008, IC meetings be adopted as presented. Mr. James McLaughlin seconded the motion.

By a vote of 4 in favor, 0 opposed, 0 abstentions, and 0 excused, the motion was approved.

**3. Presentation, Discussion, and Appropriate Action Regarding the ASRS Asset Allocation Study**

Mr. Lawrence Trachtenberg introduced the topic. At the October 16, 2008, IC meeting, a discussion took place regarding the state of the financial markets and to what extent such an unprecedented market environment may have on the future expected long-term capital market assumptions (expected return, standard deviation of returns, correlations, etc.). Mr. Gary R. Dokes, Chief Investment Officer (CIO), noted the current IC meeting constituted part one of the asset allocation study. To provide additional insight, the

Investment Management Division arranged for some ASRS managers to present their views to the IC.

Mr. Charlie Jacklin, Mellon Capital Management detailed Mellon's view on asset allocation. Mr. Patrick Dimick presented Bridgewater's perspective on the topic.

Mr. Stephen McCourt, Managing Principal, Meketa Investment Group, explained how Meketa views asset allocation, the associated methodology and process involved, and how they arrive at the asset class/investment strategy assumption components. A comprehensive discussion ensued. Mr. Paul Matson, Director, proposed a tactical plan to include short and long term expected rates of return.

#### **4. Call to the Public**

No members of the public requested to speak to the IC.

The meeting adjourned at 2:48 PM.

Respectfully submitted,

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Lisa Hanneman, Secretary      Date

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Gary R. Dokes, Chief Investment Officer      Date